

CRANBERRIES

BUSINESS

Surplus puts squeeze on region's cranberry industry

'This is tough. You just have to manage your debts and do the best you can.' — JACK ANGLE

By Paul E. Kandarian
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CARVER — Jack Angle was smiling as he and his wife worked the "Ask a Grower" booth at the seventh annual Cranberry Festival on the grounds of Edaville Railroad last weekend. Putting on a happy face is the best a cranberry grower can do this season.

"This is tough," Angle said of this year, the third season of surplus cranberries, which mean lower prices and less money for the growers in Southeastern Massachusetts, where most of the state's cranberries are harvested. "You just have to manage your debts and do the best you can."

Angle and his wife, Dot, with their 35-acre bog in Carver, are among the smaller farmers in the cranberry industry in Massachusetts, which is second only to Wisconsin in cranberry production. The last few seasons have been bountiful for growers; just two years ago the Bay State broke all records for the tiny berry, which is the state's largest cash crop, with 2.1 million barrels harvested.

And therein lies the rub: There are too many cranberries in storage from the past two harvests — 3.1 million barrels at the start of this fall's harvest, according to the US Department of Agriculture — and it's cutting heavily into the income of the small growers.

Three years ago a barrel of cranberries fetched \$70.90, according to USDA figures. This year's average will likely be less than half that.

This takes a big toll on cranberry-related businesses, including those providing growers with heavy equipment, irrigation systems, and even helicopter service, which is used to haul berries and help clean the bogs after harvest.

Angle, a cranberry farmer for 32 years, said he's seen bad years before, but "this is as bad as a lot of folks have seen. Some people haven't seen less than \$50 a barrel for years."

Carol Heinz is a second-generation small

grower, with a 12½-acre bog in Carver. She grew up in the business. Her parents started the bog, and she worked most of her youth in it. Then she went off to college, got a degree in marketing management and set off to try other things. But the lure of the family business proved too strong.

"My parents asked me to come back into it, and I did, 15 years ago," said Heinz, 38, who is engaged to a man she said helps her in the business. "It's a tough thing, the surplus, but it's something we all have to deal with."

Heinz said that although she has lived through surplus years in the past, none has



GLOBE PHOTO / NEAL HAMBERG

Carol Heinz of Carver is a second-generation cranberry grower.

Surplus hits small growers hard

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been as drastic as the most recent ones. This surplus has been especially hard on small growers, she said.

"Growers my size, we do a lot of the work ourselves," Heinz said as she worked a table at the festival, doling out small cups of cranberry-orange relish. "I'd say my income has been cut by two-thirds."

Ordinarily, she said, she'd have hired a couple of workers for the summer, when the bogs needed the most maintenance. This year, she went it alone, with help from her fiancé. "It's hard," she said. "But you have to live with it."

The hurt extends above ground as well. Tim Cuthbert, chief pilot for Northeast Helicopter Services in Plymouth, said the cranberry industry is about 80 percent of the company's total business. "It's our bread and butter," he said, "and we've lost maybe 50 percent of the business."

Northeast flies two big "B" model Huey helicopters, refitted gunships from the Vietnam War, he said, adding that the big machines "are basically like flying dump trucks." The choppers haul cranberries, deliver sand to the bogs and help with the post-harvest cleanup. The company employs eight people in a busy year, but this season workers have been cut to part time, Cuthbert said.

"We've been forced to go along with the times and cut down," he said. "We make them part time and on-call and hope we can all weather the storm."

Stearns Irrigation Inc. of Plymouth does big business in the cranberry industry, up to 75 percent of its total operation, said Jack Heywood, company president. This year, business is off 60 percent because of the cranberry growers' troubles.

"So far, we've regrouped and gotten back into the construction business," Heywood said, adding



Growers Dot and Jack Angley of Carver at a festival at left.

that the company now does sports fields and small commercial irrigation projects. "We got out of that business about 10 years ago to get into the cranberry business, which was very profitable at the time. Now we're back into it."

The company hasn't had any layoffs yet, he said, and he hopes to avoid them. But he isn't sure. "Next year could be worse," Heywood said. "Your guess is as good as mine as to how long it's going to last."

Richard Morse is president of R.F. Morse and Son Inc. of Wareham. He has sought safety by branching out, too. The company supplies heavy equipment to the cranberry industry, but has been forced to sell its products to golf courses, which are booming, and construction companies.

"We've diversified," he said. "But to anyone dealing exclusively with the cranberry industry, things would be severe."

The cranberry surplus is partly a fallout from a study five years ago that found cranberry juice helpful in

alleviating and preventing urinary tract infections, according to Jeff LaFleur, director of the Cape Cod Cranberry Growers' Association.

"There was a huge increase in use, and not enough product to keep

'My parents asked me to come back into it, and I did, 15 years ago. It's a tough thing, the surplus, but it's something we all have to deal with.'

CAROL HEINZ, grower with a 12 1/2-acre bog in Carver



GLOBE PHOTOS / NEAL HAMBERG

Moses Quinones raking cranberries in a Carver bog, right. Jack Angley called prices "as bad as a lot of folks have seen."

up with it," he said. "People bought land, planted more bogs. But [the industry] didn't keep up with continuing to tell the people the benefits of drinking cranberry juice." And demand fell.

He said he hasn't heard of any growers going out of business yet, but said some bog owners in Southeastern Massachusetts, one of the fastest growing areas of the state, are selling land for house lots, or allowing gravel to be taken from the sites in an effort to stave off closing.

After the record harvest year of 1997, production declined slightly, with 1.8 million barrels harvested in 1998, LaFleur said, adding that this year's harvest is projected to yield about 2 million barrels. All that adds up to too many cranberries in a world not using them fast enough.

LaFleur said the year 2000 will be a hard one. "It'll be tough," he said. "A lot of folks are hoping for a long-term change, and that this is just a blip on the radar screen."

There are about 500 cranberry growers in Massachusetts, most of them in the southeastern region, LaFleur said. Seventy percent of growers in the state are small, he said, with 20 acres or less. Their survival depends on how well they can reduce expenses and make their operations

more efficient, he said, adding that the cranberry industry is working to market the product internationally.

"We're also looking to the USDA to perhaps buy cranberries for school lunch programs, elderly programs, the Women, Infants and Children program, things like that," he said.

And a new campaign promoting cranberry products is on the drawing board at Ocean Spray, the Lakeville-based industry giant that is the dominant buyer of cranberries in the state but which laid off more than 300 workers over the past two years.

All the while, Jack Angley keeps smiling - and tightening his belt.

"My wife and I have been at this a lot of years, so we've figured out how to keep costs down," said Angley, who got into the business in 1967. "After 32 years in this, we realize the economics and that sometimes things go south. We've always been able to manage our debt."

Some others may not be so lucky, especially if the surplus continues, he said.

"Has it hurt us? Oh, absolutely," he said. "The thing is, you manage your debts and try to hang on."